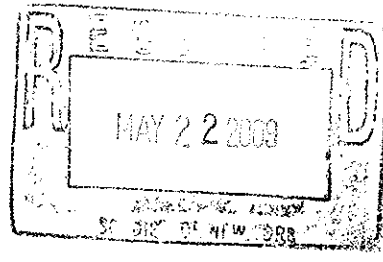


Motion Rejection Hearing: June 3, 2009 at 11:00 a.m.
Objection to Rejection Motion Due: May 26, 2009 at 4:00 p.m.

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Michael P. Mallaney (pro hac vice pending)



Counsel for McGurk-Meyers Chrysler

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
:
In re: :
:
Chrysler LLC, *et al.*, :
:
-----X

Chapter 11
Case No. 09-50002 (AJG)

Jointly Administered

**OBJECTION OF JOHNSON COUNTY MOTORS, L.C. (d/b/a McGURK-MEYERS
CHRYSLER TO MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN
ORDER, PURSUANT TO SECTION 105, 365 AND 525 OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 6006, (A) AUTHORIZING THE REJECTION OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES WITH CERTAIN DOMESTIC DEALERS (B)
GRANTING CERTAIN RELATED RELIEF**

TO THE HONORABLE ARTHUR J. GONZALEZ
UNITED STATES BANKRUPTCY JUDGE

McGurk-Meyers Chrysler by and through its undersigned counsel, hereby files this Objection (the "Objection") to the Motion (Rejection Motion) (Docket No. 780) of the above captioned Debtors and Debtors in Possession (Collectively, "Chrysler" or "Debtors") seeking authority to reject executory contracts with certain domestic dealers (Chrysler Affected Dealers).

The Objection is supported by the Declaration of Jeff Carr of McGurk-Meyers Chrysler, Argument and Legal Memorandum incorporated by reference from Objection of the Committee of Chrysler Affected Dealers to Motion of Debtors and Debtors in Possession for an Order Authorizing the Sale of Substantially All of the Debtors' Operating Assets and for Other Relief (Docket No. 1045).

PRELIMINARY STATEMENT

1. The Rejection Motion and relief requested would cause McGurk-Meyers Chrysler to end business. It would: (1) destroy an independent business; (2) ruin the livelihood of the owner of McGurk-Meyers Chrysler which has been in business for at least forty-three years; (3) cause the loss of approximately twenty-five jobs and potentially job losses at vendors, suppliers and financiers of McGurk-Meyers Chrysler; (4) precipitate inevitable personal bankruptcies from the twenty-five plus employees who will lose their jobs; (5) reduce tax revenues that are paid to the local taxing authorities (Carr Declaration).

2. The continuation of McGurk-Meyers Chrysler does not cost Chrysler anything. McGurk-Meyers Chrysler pays for everything including inventory, parts, equipment, real estate, salaries and benefits (Carr Declaration).

FACTUAL BACKGROUND - McGURK-MEYERS CHRYSLER

3. On May 14, 2009, the Debtors filed their Rejection Motion. McGurk-Meyers Chrysler

is identified as one of these scheduled 789 separate dealers which Chrysler seeks to reject.

4. McGurk-Meyers Chrysler is a single line make Chrysler Dealership located in Iowa City, Iowa. McGurk-Meyers Chrysler has been in business for almost forty-three years (Carr Declaration).

5. McGurk-Meyers Chrysler employs twenty-five people who would lose their jobs and livelihood if the dealership is rejected (Carr Declaration).

6. McGurk-Meyers Chrysler has over \$1,327,500 invested in land and building, \$1,198,180 in new car inventory at cost and \$80,000 in parts at cost and \$40,000 in special tool inventory.

7. McGurk-Meyers Chrysler at the urging of Chrysler representatives purchased extra new Chrysler vehicles and now not only faces rejection of its forty-three year dealership but now will also be prohibited from selling the new car inventory and parts to the public if the dealership is terminated as requested in the Rejection Motion (Carr Declaration).

8. The Rejection Motion of Chrysler is void of any facts evidencing (other than the conclusionary allegations) (Second Grady Declaration) that Chrysler would suffer a loss or be deprived of an economic benefit unless the McGurk-Meyers Chrysler dealership was terminated. The facts evidence a contrary conclusion.

9. McGurk-Meyers Chrysler bares the cost and expenses incurred by its dealership including those related to land, showroom, inventory, personnel, training, employee benefits, maintenance, sign age, advertisements, insurance and taxes. These costs and expenses are not subsidized by Chrysler (Carr Declaration).

ARGUMENT

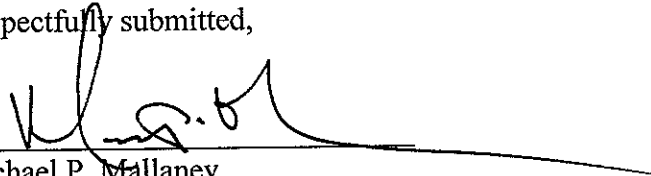
10. McGurk-Meyers Chrysler adopts and incorporates by reference the Arguments and

Legal Authorities against rejection as set forth in the Argument and Memorandums of Authority in the Objection of the Committee of Chrysler Affected Dealers to Motion of Debtors and Debtors in Possession for an Order Authorizing the Sale of Substantially All of the Debtors' Operating Assets and Other Relief (Docket No. 1045).

11. McGurk-Meyers Chrysler submits that the points and authorities adopted herein satisfy the requirements of Local Bankruptcy Rule for the Southern District of New York, 9013-1(b).

WHEREFORE, McGurk-Meyers Chrysler respectfully requests that the Court deny the Rejection Motion and any claimed relief sought therein and that the Court grant such other and further relief as is just and equitable.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. P. Mallaney', is written over a horizontal line.

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(pro hac vice pending)
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

Chrysler LLC, et al.,

Case No.: 09-50002 (AJG)

Debtors.

(Jointly Administered)

DECLARATION OF JEFF CARR

I, Jeff Carr, make this declaration under 28 U.S.C. § 1746 and state as follows:

1. I am the owner of Johnson County Motors LC (d/b/a McGurk Meyers Chrysler, a single line make Chrysler Dealership located in Iowa City, Iowa. I am older than 21 years of age and suffer no legal disability. I am competent to make this declaration.
2. McGurk Meyers Chrysler has been in business for almost 43 years. It currently has 25 employees.
3. McGurk Meyers Chrysler as an independently owned franchise bears the costs and expense incurred by the dealership. We receive no assistant or subsidy from Chrysler. McGurk Meyers Chrysler alone pays for the land, showroom, inventory, personnel, training, employee benefits, tools, equipment, signage, advertising, promotional material and taxes.
4. The dealership facility from which McGurk Meyers Chrysler operates has a assessed value of \$1,327,550 and McGurk Meyers Chrysler annually pays property taxes to the local county government.
5. We currently have on hand \$80,000 of parts inventory at cost and 37 new Chrysler vehicles at a cost of \$1,198,180. We also have on hand special tools inventory valued at approximately \$40,000. McGurk Meyers Chrysler has purchased over the last five years

\$1,955,000 worth of parts from Chrysler. In the last five years we have sold 617 new Chrysler vehicles. The number would have been more except for the flood which occurred in Iowa City in 2008.

6. Chrysler for the past three years under a program Project Genesis (Alpha) wanted to combine a Chrysler/Dodge/Jeep franchise under one roof. There is an owner of a Jeep and Dodge franchise within two miles of our business location. Our dealership was flooded in June of 2008 which precipitated a merger and/or buy-sell between McGurk Meyers Chrysler and the nearby Jeep Dodge dealer. A written agreement was entered into with a scheduled closing date of September 30, 2008. All conditions for the closing were in place except for approval from Chrysler. Chrysler delayed and drug out the approval which resulted in a recision in October 2008 (See Exhibit "A" which is attached hereto). It is now my understanding my dealership is going to be award to this other entity if the Rejection Motion is granted.

7. That prior to the filing of the Chrysler bankruptcy April 30, 2009, at the request and encouragement of Chrysler purchased 25 new Chrysler units at a cost of \$825,000. This was done to assist and help Chrysler financially and to avoid any bankruptcy.

8. On May 13, 2009, McGurk Meyers Chrysler received a notice from Chrysler (a copy of which is attached hereto as Exhibit "B") that McGurk Meyers Chrysler was one of the Franchise Agreements Chrysler now seeks to reject and was terminating.

9. It is my understanding that in addition to terminating Chrysler will not purchase back the new vehicle inventory or the parts inventory. The failure of Chrysler to repurchase the new vehicle inventory and/or parts inventory will cause a substantial financial loss as it is my understanding that after termination the new vehicles and mopar parts cannot be sold to the public but only to those remaining dealerships at a substantial discount and loss to McGurk

Meyers Chrysler.

10. Should the Court approve Chrysler's Motion to Reject McGurk Meyers Chrysler and the relief requested therein, it is my belief that if the dealership is terminated McGurk Meyers Chrysler will cease operations, business will close, the employees will lose their jobs and I will personally lose my investment. I specifically request that the Court deny Chrysler's Motion to Reject and Relief sought therein for all the reasons stated above and for the reasons set forth in the Objection filed herein to the Motion to Reject.

Dated: 5/21/09

Jeff Carr
Jeff Carr

Subscribed to before me this 21 day of MAY, 2009.

[Signature]
Notary Public in and for the State of Iowa



THE OFFICES OF
LEFF LAW FIRM, L.L.P.

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52244-2447

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(319) 338-6902

October 3, 2008

Mr. A. Russell Schmeiser
Email: RSchmeiser@aol.com

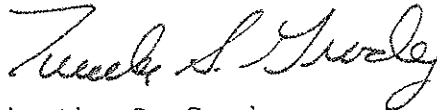
Re: Hartwig Motors, Inc./Johnson County Motors, L.C.
Asset Purchase Agreement

Dear Russ:

Hartwig Motors, Inc. has not yet obtained a franchise from Chrysler Motors Corporation to sell and service Chrysler branded motor vehicles in Iowa City, Iowa. Therefore, pursuant to paragraph 12(E) of the above mentioned purchase agreement, Hartwig Motors, Inc. hereby declares said agreement to be null and void. Pursuant to that agreement, the earnest money paid by Hartwig Motors, Inc. will be returned to that entity.

Sincerely yours,

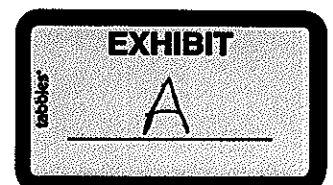
LEFF LAW FIRM, L.L.P.



Timothy S. Grady

cc: Mr. Gregg Hartwig

dml/TSG/Corr/Schmeiser,AR 1008 ltr HartwigMotors





CHRYSLER

RECEIVED 5/14/09

60195
Dennis P Gordon
Johnson County Motors, L.C.
McGurk-Meyers Chrysler
404 2ND St
Coralville, IA 52241-2612

May 13, 2009

Dear Dennis P Gordon,

As you know, we are in the process of seeking approval of the sale of our primary operating assets to a new company. The unprecedented decline in the industry has had a significant impact upon sales and requires the new company to reduce production levels to better match ongoing demand. With the downsizing of operations following the sale and reduction of plants and production, similar reductions must be made in the size of the dealer body.

With regret, this letter is to inform you that on May 14th, 2009, we are filing a motion in bankruptcy court rejecting the Sales and Service Agreement(s) between Chrysler Motors LLC and the dealership listed above. Upon approval from the court, your agreement will be rejected on or about June 9, 2009.

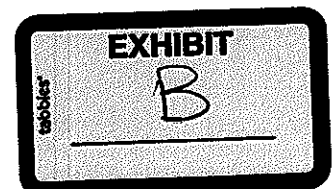
We intend to maintain "business as usual" with you until the rejection takes place. We intend to honor warranty and incentive payments, during the period that you remain an active dealer subject to available financing. It is necessary to work together to make this transition as seamless as possible to your customers. After rejection, we want to work with you to assist in the redistribution of new vehicles and parts to ease the burden on you. Attached to this letter, please find further details regarding the transition period. Your business center will be in touch to offer assistance.

These are extraordinary times, and they call for extraordinary efforts. It is with a sense of profound sadness that we must take this step and reject some of our dealer Sales and Service Agreement(s), but it's a necessary step in the process of pursuing and completing the sale of our assets to the new company. We wish there was a better way, but there isn't.

We are grateful for the support you and your company have provided Chrysler over the years and we wish you the best under these circumstances.

Respectfully,

J. Tangeman
National Dealer Placement Manager



Transition Period Information

We have provided below the processes and guidelines we will have in place to assist you. We know your customers have been important to you, and we recognize that it is in our mutual interest to work together to serve your customers during this transition period.

New Vehicle Inventory

As a result of its recent bankruptcy filing, Chrysler LLC is unable to repurchase your new vehicle inventory. However, we will assist with the redistribution of as many of your eligible vehicles as possible, among the dealers remaining in the Chrysler network. All vehicles will be inspected by a third party for equipment, damage, and mileage prior to redistribution. Any vehicles "reported sold" and in stock will not qualify.

Vehicle eligibility will be as follows:

- New and unused
- Undamaged
- No demos
- No more than 125 miles
- No vehicle previously reported sold

Parts and Accessory Inventory

Redistribution of Parts

As a result of its recent bankruptcy filing, Chrysler LLC is unable to repurchase your Mopar parts inventory. However, we will endeavor to match you with a dealer to consider purchase of your parts. This redistribution will occur among the dealers remaining in the Chrysler network. All agreements and transactions will be between the buying and selling dealers.

With your agreement, your parts inventory information will be provided to the remaining dealerships. The sales, payment, and delivery terms of the parts inventory are between dealerships.

Parts Ordering

Ordering will remain available for Daily Stock and Special Handling orders. Order delivery and return pick-up will continue per current delivery schedules.

At the time the rejection motion is filed, dealerships subject to rejection that are enrolled in ARO (Automatic Replenishment Ordering) will be removed from the program to alleviate an increase in dealer parts inventories.

Essential/Special Tools

As a result of its recent bankruptcy filing, Chrysler LLC is unable to repurchase your Essential/Special tools. However, we will assist with the redistribution of as many of your Essential/Special tools as possible. This redistribution will occur among the dealers remaining in the Chrysler network. All agreements and transactions will be between the buying and selling dealers.

Warranty Claims Processing

All Warranty, MOPAR, Recall, Transportation and Chrysler Service Contract Claims must be submitted to Chrysler Motors LLC for payment within seven days of the expected court approved rejection date. Chrysler will endeavor to credit your Dealer Statement for approved and processed claims.

- Warranty repairs performed after the rejection date are not eligible for payment.
- Submission of claims via DealerConnect is available until seven (7) days after the expected court approved rejection date.
- Upon rejection all current Warranty Material Return requirements remain in effect until seven (7) days after the court approved rejected date.
- Continue to maintain all supporting documents in the event of claim denials or chargebacks.

Sales Incentive Claims Processing

Incentive Claim Processing will be available for final claim submission and payment until seven (7) days after the court approved rejection date. Chrysler will endeavor to credit your Dealer Statement for approved and processed claims.

- Only those new vehicles retailed to bona fide customers prior to the expected court approved rejection date are eligible to be reported through the NVDR system.
- Vehicles with retail delivery dates prior to the expected court approved rejection date must be reported through the NVDR system in order for incentive claims to be processed.
- If a vehicle is reported through the NVDR system and incentives are claimed, that vehicle can not be redistributed to another dealer's inventory.
- Chrysler reserves the right to reject any claims for incentives that do not meet established program rules as indicated in the Gold Book.

Brand Signs

Upon rejection, all Chrysler will remove Chrysler owned signage at the earliest possible date.

DealerConnect Access

All DealerConnect user S-ID access, with the exception of the Dealer Principal, will be deactivated on the expected court approved rejection date. Thereafter, only the Dealer Principal's S-ID and password will be able to access and utilize available applications within DealerConnect.

Discontinued Use of Chrysler LLC Trade Names, Trademarks, Logos, etc.

After expected court approved rejection date of your Sales and Service Agreement, you must immediately discontinue using any trade names applicable to Chrysler LLC and its subsidiaries in your corporate, firm or trade name and using any trade names, trademarks or insignias adopted or used by Chrysler LLC or its divisions, parent, affiliate or subsidiary companies, and take such steps as may be necessary to change such corporate, firm, or trade name. In addition, you must eliminate advertising containing any such trade names, trademarks or insignias, or anything else that would identify you as an authorized dealer for Chrysler Motors vehicles or products.

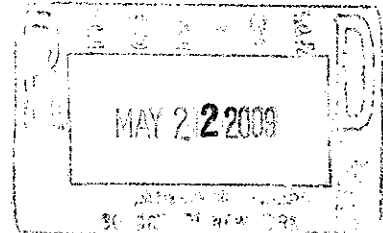
Questions

Should you have any questions regarding Chrysler LLC's bankruptcy process, you may visit the website chryslerrestructuring.com. Additionally, Dealer Principals may access "Ask Chrysler" on the home page of DealerConnect.

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Counsel for McGurk-Meyers Chrysler

United States Bankruptcy Court
Southern District of New York



In re:

Chrysler LLC, et al.,

Chapter 11
Case No. 09-50002 (AJG)

Jointly Administered

Hon. Arthur J. Gonzalez

CERTIFICATE OF SERVICE

The undersigned hereby certifies and declares that he caused copies to be served as follows:

1. Document Serviced: Objection of McGurk-Meyers Chrysler to Motion of Debtors and Debtors in Possession for an Order, Pursuant to Section 105, 365, and 525 of the Bankruptcy Code and Bankruptcy Rule 6006, (A) Authorizing the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers (B) Granting Certain Related Relief.
2. Served Upon: *Chrysler LLC:* ChryslerOGC@chrysler.com
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bceccotti@cwsny.com

Method of Service: Via Email

3. Served upon: See attached Service List

Method of Service: Via U.S. Mail

4. Date Serviced: May 21, 2009

I certify and declare under penalty of perjury that the foregoing is true and correct.

Dated: May 21, 2009

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